



MORGAN HILL CHAMBER OF COMMERCE

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June 19, 2007

Mr. Darryl Boyd, Principal Planner
Department of Planning, Building & Code Enforcement
City of San Jose
200 East Santa Clara St.
San Jose, CA 95113-1905

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**CITY OF SAN JOSE
DEVELOPMENT SERVICES**

Dear Mr. Boyd:

The Morgan Hill Chamber of Commerce Mission is to provide quality service to our Members and promote and develop a strong economic climate in Morgan Hill. Within that context, the Morgan Hill Chamber of Commerce believes that the proposed Coyote Valley project would potentially have a favorable economic impact on Morgan Hill, its businesses and especially Chamber Members. For this reason, the Chamber supports the concept of Coyote Valley development. However, the Morgan Hill Chamber of Commerce has very serious concerns about the environmental impacts that will result from this development, as identified in the Draft Environmental Impact Report. The impacts, which closely match those of the City of Morgan Hill, are as follows:

Traffic impacts on South County – The DEIR does not show adequate traffic surveys to address the impact of Coyote Valley development on existing South County roads and parks. Unless all public transportation infrastructures are in place, projected increase in the numbers of jobs in Coyote Valley will result in traffic congestion. Local streets and Highways 101, 85 and 87 will have serious regional economic impacts if people cannot reach their destinations in a timely fashion.

The most critical economic focus is the need to reach employment, followed closely by socio-economic health and welfare needs – hospitals, doctors, schools, shopping, dining, touring, or recreation. South County, and specifically Morgan Hill, will suffer not only economic impacts, but will be subject to potential environmental fallout as well. The DEIR identifies these impacts, but does not propose mitigations to lessen their effect, especially the potential air quality impacts inherent in increased use of Highway 101. The DEIR should be amended to provide mitigation for these impacts, even if the mitigation does not fully eliminate the identified impact. One Member has suggested a 90% mitigation target be set for the most impactful results.

Housing affordability in Coyote Valley and impacts on South County – The DEIR does not adequately address the need for affordable housing in Coyote Valley, nor does it

outline the potential impacts on Morgan Hill and other communities in southern Santa Clara County. It identifies a specified number of homes in Alternative 1 but does not project costs. Its projections do not adequately reflect California and/or Association of Bay Area Government recommendations for low and moderate-income housing. The DEIR should address the impact on housing values and the controlled growth housing market in Morgan Hill in the event there is insufficient affordable housing in the Coyote Valley. In addition, the 20% specified affordable housing is a start but another 60 to 70% should be designated as below (San Jose or Santa Clara County) median price market rate housing. Single-family home development should be minimized with higher density required.

Provisions of schools – The DEIR identifies the need for 13 schools, ranging from K through 12, but inadequately addresses how all the new schools will be funded and how the schools will be phased in the project to ensure that overcrowding of existing schools does not occur. The plan does not project costs to construct nor indicate a defined developer contribution toward construction, infrastructure and staffing for the needed classrooms. In addition, the property purchased by Gavilan College for a new campus should be identified on the project's map and definitely needs to be included as an educational component in any community planning.

Impacts on existing roads and parks – Despite requests by South County agencies, adequate details are not provided in the DEIR regarding the impact of Coyote Valley development on existing South County roads and parks.

Air quality impacts – With the DEIR identifying *more than 90 significant impacts and at least 20 that cannot be mitigated*, air quality is perhaps one of the most important concerns of all. The quality of the air we breathe is critical to both short and long-term health of every living being within our region and makes it a critical issue to be addressed in the DEIR in more depth than what is currently included. Relevant to this concern and something to consider is replanning mass transit routes between businesses, Cal Train, schools, local retail, event centers and housing, which could eliminate the need for non-fixed pathway vehicles such as busses. Mass transit solutions other than surface transportation should be considered, due to the need to maximize use of land area.

The Chamber is especially concerned with the phasing of the project, as we believe it is a key attribute to mitigating the effects of impacts on Morgan Hill. The DEIR does not define development phases for Coyote Valley. Thus, the incremental impacts that will result from that phasing are unknown, and that makes it difficult for its neighbors to the south to foresee them. Phasing as it impacts the economic viability of infrastructure, as well as the evolving impacts during progression to full build-out, is also not addressed. The Chamber agrees with the City of Morgan Hill that phasing and implementation plans necessary to adequately assess impacts are either missing or incomplete.

In addition, there is also concern about water supply. There is a genuine concern regarding where fresh drinkable water would come from and how it is to be delivered. Another concern is where storm and rainwater accumulation is to be released, and are there specific guidelines as to treatment of this water before it is sent to the Bay via Coyote Creek. The proposed Pond would be one way of capturing runoff, but how is this water to be treated? Will there be circulation within this pond to keep it from being


stagnant? How clean must this water be before it is released into Coyote Creek? And are there any plans to filter this water and reuse it for non-potable uses such as irrigation? Relevant to this issue, the Chamber, again, supports the City of Morgan Hill's concerns regarding the DEIR Water Supply section and agrees that section should be revised to include a description of the proposed project's water supply and address all of our concerns regarding water and the Coyote Valley project.

The Morgan Hill Chamber of Commerce recommends the EIR be revised to address our concerns and recirculated. While the Chamber sees the potential of a positive economic impact on Morgan Hill and South County, in general, the major South County concerns, along with phasing of development and the inadequacy of mitigation measures are the reasons the Chamber reached this conclusion and forwarding our recommendations.

Finally, the Chamber would also stress the need for as much INCLUSION as possible in the continuation of this extremely important decision making process. While it is our understanding that outreach has been made, and many conversations have taken place, including countless task force and stakeholders meetings, there needs to be an even more extensive effort made to include everyone who will both suffer and gain from this project, now, while it is being planned. Twenty, thirty, forty or fifty years from today will be too late to say, "I'm sorry."

Your invaluable time and consideration of our concerns are greatly appreciated.

Most sincerely,



Daniel L. Ehrler
President/CEO